

ASSEMBLY BILL

No. 2361

Introduced by Assembly Member Jones

February 21, 2014

An act to amend Section 25249.7 of the Health and Safety Code, relating to toxic substances.

LEGISLATIVE COUNSEL'S DIGEST

AB 2361, as introduced, Jones. Proposition 65: enforcement.

(1) The Safe Drinking Water and Toxic Enforcement Act of 1986, an initiative measure approved by the voters as Proposition 65 at the November 6, 1986, statewide general election, (Proposition 65) prohibits any person, in the course of doing business, from knowingly and intentionally exposing any individual to a chemical known to the state to cause cancer or reproductive toxicity without giving a specified warning, or from knowingly discharging or releasing such a chemical into water or into or onto land passing into any source of drinking water, except as specified. The act imposes civil penalties upon persons who violate those prohibitions, and provides for the enforcement of those prohibitions by the Attorney General, a district attorney, or specified city attorneys or prosecutors, and by any person in the public interest. Proposition 65 excludes from the definition of the term “person in the course of doing business” a person employing fewer than 10 employees.

This bill would prohibit a person from bringing an action in the public interest against a person employing fewer than 25 employees.

(2) Proposition 65 provides that it may be amended by a statute, passed by a $\frac{2}{3}$ vote of each house of the Legislature, to further its purposes.

This bill would find and declare that it furthers the purposes of Proposition 65.

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 25249.7 of the Health and Safety Code
2 is amended to read:
3 25249.7. (a) A person who violates or threatens to violate
4 Section 25249.5 or 25249.6 may be enjoined in any court of
5 competent jurisdiction.
6 (b) (1) A person who has violated Section 25249.5 or 25249.6
7 is liable for a civil penalty not to exceed two thousand five hundred
8 dollars (\$2,500) per day for each violation in addition to any other
9 penalty established by law. That civil penalty may be assessed and
10 recovered in a civil action brought in any court of competent
11 jurisdiction.
12 (2) In assessing the amount of a civil penalty for a violation of
13 this chapter, the court shall consider all of the following:
14 (A) The nature and extent of the violation.
15 (B) The number of, and severity of, the violations.
16 (C) The economic effect of the penalty on the violator.
17 (D) Whether the violator took good faith measures to comply
18 with this chapter and the time these measures were taken.
19 (E) The willfulness of the violator's misconduct.
20 (F) The deterrent effect that the imposition of the penalty would
21 have on both the violator and the regulated community as a whole.
22 (G) Any other factor that justice may require.
23 (c) Actions pursuant to this section may be brought by the
24 Attorney General in the name of the people of the State of
25 California, by a district attorney, by a city attorney of a city having
26 a population in excess of 750,000, or, with the consent of the
27 district attorney, by a city prosecutor in a city or city and county
28 having a full-time city prosecutor, or as provided in subdivision
29 (d).
30 (d) ~~Actions~~(1) *Except as provided in paragraph (2), an action*
31 *pursuant to this section may be brought by a person in the public*
32 *interest if both of the following requirements are met:*
33 (1)

1 (A) The private action is commenced more than 60 days from
2 the date that the person has given notice of an alleged violation of
3 Section 25249.5 or 25249.6 that is the subject of the private action
4 to the Attorney General and the district attorney, city attorney, or
5 prosecutor in whose jurisdiction the violation is alleged to have
6 occurred, and to the alleged violator. If the notice alleges a
7 violation of Section 25249.6, the notice of the alleged violation
8 shall include a certificate of merit executed by the attorney for the
9 noticing party, or by the noticing party, if the noticing party is not
10 represented by an attorney. The certificate of merit shall state that
11 the person executing the certificate has consulted with one or more
12 persons with relevant and appropriate experience or expertise who
13 has reviewed facts, studies, or other data regarding the exposure
14 to the listed chemical that is the subject of the action, and that,
15 based on that information, the person executing the certificate
16 believes there is a reasonable and meritorious case for the private
17 action. Factual information sufficient to establish the basis of the
18 certificate of merit, including the information identified in
19 paragraph (2) of subdivision (h), shall be attached to the certificate
20 of merit that is served on the Attorney General.

21 ~~(2)~~

22 (B) Neither the Attorney General, a district attorney, a city
23 attorney, nor a prosecutor has commenced and is diligently
24 prosecuting an action against the violation.

25 (2) *A person may not bring an action in the public interest*
26 *pursuant to this subdivision against a person employing fewer*
27 *than 25 employees.*

28 (e) A person bringing an action in the public interest pursuant
29 to subdivision (d) and a person filing an action in which a violation
30 of this chapter is alleged shall notify the Attorney General that the
31 action has been filed. Neither this subdivision nor the procedures
32 provided in subdivisions (f) to (k), inclusive, affect the
33 requirements imposed by statute or a court decision in existence
34 on January 1, 2002, concerning whether a person filing an action
35 in which a violation of this chapter is alleged is required to comply
36 with the requirements of subdivision (d).

37 (f) (1) A person filing an action in the public interest pursuant
38 to subdivision (d), a private person filing an action in which a
39 violation of this chapter is alleged, or a private person settling a
40 violation of this chapter alleged in a notice given pursuant to

1 *subparagraph (A) of paragraph (1) of subdivision (d), shall, after*
2 *the action or violation is subject either to a settlement or to a*
3 *judgment, submit to the Attorney General a reporting form that*
4 *includes the results of that settlement or judgment and the final*
5 *disposition of the case, even if dismissed. At the time of the filing*
6 *of a judgment pursuant to an action brought in the public interest*
7 *pursuant to subdivision (d), or an action brought by a private person*
8 *in which a violation of this chapter is alleged, the plaintiff shall*
9 *file an affidavit verifying that the report required by this*
10 *subdivision has been accurately completed and submitted to the*
11 *Attorney General.*

12 (2) A person bringing an action in the public interest pursuant
13 to subdivision (d), or a private person bringing an action in which
14 a violation of this chapter is alleged, shall, after the action is either
15 subject to a settlement, with or without court approval, or to a
16 judgment, submit to the Attorney General a report that includes
17 information on any corrective action being taken as a part of the
18 settlement or resolution of the action.

19 (3) The Attorney General shall develop a reporting form that
20 specifies the information that shall be reported, including, but not
21 limited to, for purposes of subdivision (e), the date the action was
22 filed, the nature of the relief sought, and for purposes of this
23 subdivision, the amount of the settlement or civil penalty assessed,
24 other financial terms of the settlement, and any other information
25 the Attorney General deems appropriate.

26 (4) If there is a settlement of an action brought by a person in
27 the public interest under subdivision (d), the plaintiff shall submit
28 the settlement, other than a voluntary dismissal in which no
29 consideration is received from the defendant, to the court for
30 approval upon noticed motion, and the court may approve the
31 settlement only if the court makes all of the following findings:

32 (A) The warning that is required by the settlement complies
33 with this chapter.

34 (B) The award of attorney's fees is reasonable under California
35 law.

36 (C) The penalty amount is reasonable based on the criteria set
37 forth in paragraph (2) of subdivision (b).

38 (5) The plaintiff subject to paragraph (4) has the burden of
39 producing evidence sufficient to sustain each required finding.
40 The plaintiff shall serve the motion and all supporting papers on

1 the Attorney General, who may appear and participate in a
2 proceeding without intervening in the case.

3 (6) Neither this subdivision nor the procedures provided in
4 subdivision (e) and subdivisions (g) to (k), inclusive, affect the
5 requirements imposed by statute or a court decision in existence
6 on January 1, 2002, concerning whether claims raised by a person
7 or public prosecutor not a party to the action are precluded by a
8 settlement approved by the court.

9 (g) The Attorney General shall maintain a record of the
10 information submitted pursuant to subdivisions (e) and (f) and
11 shall make this information available to the public.

12 (h) (1) Except as provided in paragraph (2), the basis for the
13 certificate of merit required by subdivision (d) is not discoverable.
14 However, nothing in this subdivision precludes the discovery of
15 information related to the certificate of merit if that information
16 is relevant to the subject matter of the action and is otherwise
17 discoverable, solely on the ground that it was used in support of
18 the certificate of merit.

19 (2) Upon the conclusion of an action brought pursuant to
20 subdivision (d) with respect to a defendant, if the trial court
21 determines that there was no actual or threatened exposure to a
22 listed chemical, the court may, upon the motion of that alleged
23 violator or upon the court's own motion, review the basis for the
24 belief of the person executing the certificate of merit, expressed
25 in the certificate of merit, that an exposure to a listed chemical had
26 occurred or was threatened. The information in the certificate of
27 merit, including the identity of the persons consulted with and
28 relied on by the certifier, and the facts, studies, or other data
29 reviewed by those persons, shall be disclosed to the court in an
30 in-camera proceeding at which the moving party shall not be
31 present. If the court finds that there was no credible factual basis
32 for the certifier's belief that an exposure to a listed chemical had
33 occurred or was threatened, then the action shall be deemed
34 frivolous within the meaning of Section 128.7 of the Code of Civil
35 Procedure. The court shall not find a factual basis credible on the
36 basis of a legal theory of liability that is frivolous within the
37 meaning of Section 128.7 of the Code of Civil Procedure.

38 (i) The Attorney General may provide the factual information
39 submitted to establish the basis of the certificate of merit on request
40 to a district attorney, city attorney, or prosecutor within whose

1 jurisdiction the violation is alleged to have occurred, or to any
2 other state or federal government agency, but in all other respects
3 the Attorney General shall maintain, and ensure that all recipients
4 maintain, the submitted information as confidential official
5 information to the full extent authorized in Section 1040 of the
6 Evidence Code.

7 (j) In an action brought by the Attorney General, a district
8 attorney, a city attorney, or a prosecutor pursuant to this chapter,
9 the Attorney General, district attorney, city attorney, or prosecutor
10 may seek and recover costs and attorney's fees on behalf of a party
11 who provides a notice pursuant to subdivision (d) and who renders
12 assistance in that action.

13 (k) Any person who serves a notice of alleged violation pursuant
14 to *subparagraph (A) of paragraph (1) of subdivision (d)* for an
15 exposure identified in subparagraph (A), (B), (C), or (D) of
16 paragraph (1) shall complete, as appropriate, and provide to the
17 alleged violator, a notice of special compliance procedure and
18 proof of compliance form pursuant to subdivision (l) and shall not
19 file an action for that exposure against the alleged violator, or
20 recover from the alleged violator in a settlement any payment in
21 lieu of penalties or any reimbursement for costs and attorney's
22 fees, if all of the following conditions have been met:

23 (1) The notice given pursuant to *subparagraph (A) of paragraph*
24 *(1) of subdivision (d)* was served on or after ~~the effective date of~~
25 ~~the act amending this section during the 2013–14 Regular Session~~
26 *October 5, 2013*, and alleges that the alleged violator failed to
27 provide clear and reasonable warning as required under Section
28 25249.6 regarding one or more of the following, and no other
29 violation:

30 (A) An exposure to alcoholic beverages that are consumed on
31 the alleged violator's premises to the extent onsite consumption
32 is permitted by law.

33 (B) An exposure to a chemical known to the state to cause cancer
34 or reproductive toxicity in a food or beverage prepared and sold
35 on the alleged violator's premises primarily intended for immediate
36 consumption on or off premises, to the extent of both of the
37 following:

38 (i) The chemical was not intentionally added.

1 (ii) The chemical was formed by cooking or similar preparation
2 of food or beverage components necessary to render the food or
3 beverage palatable or to avoid microbiological contamination.

4 (C) An exposure to environmental tobacco smoke caused by
5 entry of persons (other than employees) on premises owned or
6 operated by the alleged violator where smoking is permitted at any
7 location on the premises.

8 (D) An exposure to chemicals known to the state to cause cancer
9 or reproductive toxicity in engine exhaust, to the extent the
10 exposure occurs inside a facility owned or operated by the alleged
11 violator and primarily intended for parking noncommercial
12 vehicles.

13 (2) Within 14 days after service of the notice, the alleged violator
14 has done all of the following:

15 (A) Corrected the alleged violation.

16 (B) (i) Agreed to pay a civil penalty for the alleged violation
17 of Section 25496.6 in the amount of five hundred dollars (\$500),
18 to be adjusted quinquennially pursuant to clause (ii), per facility
19 or premises where the alleged violation occurred, of which 75
20 percent shall be deposited in the Safe Drinking Water and Toxic
21 Enforcement Fund, and 25 percent shall be paid to the person that
22 served the notice as provided in Section 25249.12.

23 (ii) On April 1, 2019, and at each five-year interval thereafter,
24 the dollar amount of the civil penalty provided pursuant to this
25 subparagraph shall be adjusted by the Judicial Council based on
26 the change in the annual California Consumer Price Index for All
27 Urban Consumers, published by the Department of Industrial
28 Relations, Division of Labor Statistics, for the most recent five-year
29 period ending on December 31 of the year preceding the year in
30 which the adjustment is made, rounded to the nearest five dollars
31 (\$5). The Judicial Council shall quinquennially publish the dollar
32 amount of the adjusted civil penalty provided pursuant to this
33 subparagraph, together with the date of the next scheduled
34 adjustment.

35 (C) Notified, in writing, the person that served the notice of the
36 alleged violation, that the violation has been corrected. The written
37 notice shall include the notice of special compliance procedure
38 and proof of compliance form specified in subdivision (I), which
39 was provided by the person serving notice of the alleged violation

1 and which shall be completed by the alleged violator as directed
2 in the notice.

3 (3) The alleged violator shall deliver the civil penalty to the
4 person that served the notice of the alleged violation within 30
5 days of service of that notice, and the person that served the notice
6 of violation shall remit the portion of the penalty due to the Safe
7 Drinking Water and Toxic Enforcement Fund within 30 days of
8 receipt of the funds from the alleged violator.

9 (l) The notice required to be provided to an alleged violator
10 pursuant to subdivision (k) shall be presented as follows:

Date:

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Name of Noticing Party or attorney for Noticing Party:

Address:

Phone number:

SPECIAL COMPLIANCE PROCEDURE

PROOF OF COMPLIANCE

You are receiving this form because the Noticing Party listed above has alleged that you are violating California Health and Safety Code §25249.6 (Prop. 65):

The Noticing Party may not bring any legal proceedings against you for the alleged violation checked below if:

- (1) You have actually taken the corrective steps that you have certified in this form:**
- (2) The Noticing Party has received this form at the address shown above, accurately completed by you, postmarked within 14 days of your receiving this notice:**
- (3) The Noticing Party receives the required \$500 penalty payment from you at the address shown above postmarked within 30 days of your receiving this notice:**
- (4) This is the first time you have submitted a Proof of Compliance for a violation arising from the same exposure in the same facility on the same premises:**

PART 1: TO BE COMPLETED BY THE NOTICING PARTY OR ATTORNEY FOR THE NOTICING PARTY

The alleged violation is for an exposure to: (check one)

☐ Alcoholic beverages that are consumed on the alleged violator's premises to the extent on-site consumption is permitted by law:

☐ A chemical known to the state to cause cancer or reproductive toxicity in a food or beverage prepared and sold on the alleged violator's premises for immediate consumption on or off premises to the extent: (1) the chemical was not intentionally added; and (2) the chemical was formed by cooking or similar preparation of food or beverage components necessary to render the food or beverage palatable or to avoid microbiological contamination:

☐ Environmental tobacco smoke caused by entry of persons (other than employees) on premises owned or operated by the alleged violator where smoking is permitted at any location on the premises:

☐ Chemicals known to the State to cause cancer or reproductive toxicity in engine exhaust, to the extent the exposure occurs inside a facility owned or operated by the alleged violator and primarily intended for parking noncommercial vehicles:

IMPORTANT NOTES:

- (1) You have no potential liability under California Health and Safety Code §25249.6 if your business has nine (9) or fewer employees:**
- (2) Using this form will NOT prevent the Attorney General, a district attorney, a city attorney, or a prosecutor in whose jurisdiction the violation is alleged to have occurred from filing an action over the same alleged violations, and that in any in such action, the amount of civil penalty shall be reduced to reflect any payment made at this time:**

Date:

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Name of Noticing Party or attorney for Noticing Party:

Address:

Phone number:

PART 2: TO BE COMPLETED BY THE ALLEGED VIOLATOR OR AUTHORIZED REPRESENTATIVE

Certification of Compliance

Accurate completion of this form will demonstrate that you are now in compliance with California Health and Safety Code §25249.6 for the alleged violation listed above. You must complete and submit the form below to the Noticing Party at the address shown above, postmarked within 14 days of your receiving this notice.

I hereby agree to pay, within 30 days of completion of this notice, a civil penalty of \$500 to the Noticing Party only and certify that I have complied with Health and Safety Code §25249.6 by (check only one of the following):

- ☐ Posting a warning or warnings about the alleged exposure that complies with the law, and attaching a copy of that warning and a photograph accurately showing its placement on my premises;
- ☐ Posting the warning or warnings demanded in writing by the Noticing Party, and attaching a copy of that warning and a photograph accurately showing its placement on my premises; OR
- ☐ eliminating the alleged exposure, and attaching a statement accurately describing how the alleged exposure has been eliminated.

Certification

My statements on this form, and on any attachments to it, are true, complete, and correct to the best of my knowledge and belief and are made in good faith. I have carefully read the instructions to complete this form. I understand that if I make a false statement on this form, I may be subject to additional penalties under the Safe Drinking Water and Toxic Enforcement Act Of 1986 (Proposition 65):

Signature of alleged violator or authorized representative

Date

Name and title of signatory

Date:

Page 1

Name of Noticing Party or attorney for Noticing Party:

Address:

Phone number:

SPECIAL COMPLIANCE PROCEDURE

PROOF OF COMPLIANCE

You are receiving this form because the Noticing Party listed above has alleged that you are violating California Health and Safety Code §25249.6 (Prop. 65).

The Noticing Party may not bring any legal proceedings against you for the alleged violation checked below if:

- (1) You have actually taken the corrective steps that you have certified in this form.
- (2) The Noticing Party has received this form at the address shown above, accurately completed by you, postmarked within 14 days of your receiving this notice.
- (3) The Noticing Party receives the required \$500 penalty payment from you at the address shown above postmarked within 30 days of your receiving this notice.
- (4) This is the first time you have submitted a Proof of Compliance for a violation arising from the same exposure in the same facility on the same premises.

PART 1: TO BE COMPLETED BY THE NOTICING PARTY OR ATTORNEY FOR THE NOTICING PARTY

The alleged violation is for an exposure to: (check one)

___ Alcoholic beverages that are consumed on the alleged violator's premises to the extent on-site consumption is permitted by law.

___ A chemical known to the state to cause cancer or reproductive toxicity in a food or beverage prepared and sold on the alleged violator's premises for immediate consumption on or off premises to the extent: (1) the chemical was not intentionally added; and (2) the chemical was formed by cooking or similar preparation of food or beverage components necessary to render the food or beverage palatable or to avoid microbiological contamination.

___ Environmental tobacco smoke caused by entry of persons (other than employees) on premises owned or operated by the alleged violator where smoking is permitted at any location on the premises.

___ Chemicals known to the State to cause cancer or reproductive toxicity in engine exhaust, to the extent the exposure occurs inside a facility owned or operated by the alleged violator and primarily intended for parking noncommercial vehicles.

IMPORTANT NOTES:

- (1) You have no potential liability under California Health and Safety Code §25249.6 if your business has nine (9) or fewer employees.
- (2) Using this form will NOT prevent the Attorney General, a district attorney, a city attorney, or a prosecutor in whose jurisdiction the violation is alleged to have occurred from filing an action over the same alleged violations. However, any in such action, the amount of civil penalty shall be reduced to reflect any payment made at this time.

Date:

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Name of Noticing Party or attorney for Noticing Party:

Address:

Phone number:

PART 2: TO BE COMPLETED BY THE ALLEGED VIOLATOR OR AUTHORIZED REPRESENTATIVE

Certification of Compliance

Accurate completion of this form will demonstrate that you are now in compliance with California Health and Safety Code §25249.6 for the alleged violation listed above. You must complete and submit the form below to the Noticing Party at the address shown above, postmarked within 14 days of you receiving this notice.

I hereby agree to pay, within 30 days of completion of this notice, a civil penalty of \$500 to the Noticing Party only, and certify that I have complied with Health and Safety Code §25249.6 by (check only one of the following):

- [] Posting a warning or warnings about the alleged exposure that complies with the law, and attaching a copy of that warning and a photograph accurately showing its placement on my premises;
- [] Posting the warning or warnings demanded in writing by the Noticing Party, and attaching a copy of that warning and a photograph accurately showing its placement on my premises; OR
- [] Eliminating the alleged exposure, and attaching a statement accurately describing how the alleged exposure has been eliminated.

Certification

My statements on this form, and on any attachments to it are true, complete, and correct to the best of my knowledge and belief and are made in good faith. I have carefully read the instructions to complete this form. I understand that if I make a false statement on this form, I may be subject to additional penalties under the Safe Drinking Water and Toxic Enforcement Act of 1986 (Proposition 65).

Signature of alleged violator or authorized representative

Date

Name and title of signatory

1 (m) An alleged violator may satisfy the conditions set forth in
2 subdivision (k) only one time for a violation arising from the same
3 exposure in the same facility or on the same premises.

4 (n) Nothing in subdivision (k) shall prevent the Attorney
5 General, a district attorney, a city attorney, or a prosecutor in whose
6 jurisdiction the violation is alleged to have occurred from filing
7 an action pursuant to subdivision (c) against an alleged violator.
8 In any such action, the amount of any civil penalty for a violation
9 shall be reduced to reflect any payment made by the alleged
10 violator for the same alleged violation pursuant to subparagraph
11 (B) of paragraph (2) of subdivision (k).

12 SEC. 2. The Legislature finds and declares that this act furthers
13 the purposes of the Safe Drinking Water and Toxic Enforcement
14 Act of 1986.

O